

SOP for HOME Rental Rehab

Project Proposal to Completion

- Each proposal to be selected will be considered based on the five year Consolidated Plan. Projects will need to meet the requirements for specific objectives in the Consolidated Plan in order to best use available project funds. Projects that are also selected for funding initially would have to yield results that complete the Consolidated Plan's objectives to possibly receive future funding. Proposals that meet the objectives may be considered for future funding and the objective results are included in the Annual Action Plan to show community progress.
- The following steps are a walk- through of our procedure for HOME Rental Rehab projects start to finish:
 - 1) Public Notice
 - *The notice for a service is published in the paper for RFP, agencies attend mandatory training if their proposals are selected, and a review meeting with the CD staff is now being required for future agencies prior to proposal execution.*
 - 2) Complete a Proposal form
 - *Proposal Form- The proposal's acceptance is dependent upon meeting the requirements and/or qualifications of the program/project being applied for and whether the program/project can realistically be performed by the agency within the given budget and timeline.*
 - 3) Proposals then are printed.
 - 4) Printed proposals are available for the Citizen's Advisory Committee (CAC) to pick up to prepare to submit a recommendation.
 - 5) Citizen's Advisory Committee Recommendation
 - *Applications are reviewed annually by the CAC. The CAC will hold a public hearing to review the applications and make recommendations for the Mayor and City Council. Each individual/organization submitting an application is allowed two minutes to give a presentation to the CAC. After each four minute presentation, the CAC has two minutes to ask question(s). CAC then makes allocation recommendations based on the City of Evansville's needs*

addressed in the current Consolidated Plan and the availability of funding in accordance with the requested budget to the Mayor.

- 6) Mayor's Recommendations on budget.
- 7) A Finance Ordinance with the Controller's Office identifies the recommended allocations, which are submitted for approval based on the budget.
- 8) The Ordinance is then filed with the City Clerk in conjunction with all the proposals submitted.
- 9) The City Council Finance Committee holds a public hearing to let the public know what has been proposed.
 - *City Council then has three readings of the proposals to be considered.*
 - *A final public hearing is held.*
 - *First reading of the ratification of resolution is read before being included in the Annual Action Plan.*
- 10) Annual Action Plan commenting periods.
 - *The general public is given an opportunity to attend a meeting for the Action Plan, in which there is an opportunity to give recommendations or feedback.*
- 11) The ratification resolution for Annual Action Plan is presented before City Council.
- 12) Then the Annual Action Plan is submitted to HUD.

13) Cost estimating

- *The sub-recipient then refines their totals for their project beginning to finish.*
- *Prior to initiating a project a subsidy layering analysis is performed to insure that funding is in place.(For additional information see the Subsidy layering SOP)*

14) Contract Execution

- *To execute a contract with the City of Evansville the agency in question must not be debarred and be eligible to participate in a federally funded project.*
- *The contract is reviewed prior to signing to make sure that both parties still agree and understand the project to take place.*
- *The contract agreement between DMD and the agency is signed.*

- *The contract will outline the legal obligations of the DMD and the agency.*

15) Bid packaging and procurement

- *Bidding and procurement will be followed as outlined in 24 CFR 84*
 - *Bids are solicited from contractors that are not on HUD's debarred list and are eligible to receive federal fund.*
 - *Bid specs are reviewed by our _____ before being forwarded back to the agency to proceed with the project.*
 - *Specific to the City of Evansville, we use the Tyler Munis financial software that requires the following: a submitted requisition, which states the funds that are needed. once a purchase order is obtained then a notice to proceed is sent to each agency, and then the agencies may proceed to submit invoices.*
 - *When submitting an invoice, agencies are required to include a copy of the correlating PO received with their notice to proceed (The PO will have the corresponding DRGR or IDIS number written on it when agencies receive it from their designated Community Development Specialist.*
 - *The PO is placed on top with the invoice template filled out directly behind, and the supporting documentation attached including a copy of the environmental review for construction projects.*
 - *A scanned copy of the packet (PO/Invoice Template/Supporting Documentation) is submitted to DMD_invoices@evansvillegov.org for review.*
 - *In addition, the signed, hard copy of the invoice(s) must also be submitted to the designated Community Development Specialist.*
 - *The hard copy is considered the official document and the date received is based on the hard copy submission.*

16) Construction management

- *CD inspector will perform progress inspections prior to construction to photo where construction will commence, during construction, and after all construction is completed.*
- *Throughout construction the contractor(s) will submit invoices to the subrecipient/agency for work completed, and the subrecipient/agency will submit those invoice(s) to their CD Coordinator to be processed for a draw.*

- *Monitoring an agency's building progress to make sure development and financing goes as planned.*

17) Recording of Mortgage/Deed/Deed Restrictions

- *Upon completions of a home the seller must comply with the Affirmative Marketing requirements listed under 24 CFR 92.351*
- *Mortgages and Deeds must be recorded with the County Recorder.*
- *Once recorded a copy is sent to the agency for their records as well as the CD staff member responsible for the agency's files.*

18) Promissory Note

- *The Promissory Note will outline the agreement between the DMD and the agency for repayment of funds loaned and/or granted to the agency by the City of Evansville.*
- *The Promissory Note can also be recorded with the Mortgage as a reference.*

19) Initial Inspections

- *A facility is first inspected by the Building Commission if it is a new construction to receive a certificate of occupancy.*
- *If the facility is an existing structure or rehab, then the inspection is done by the General Inspector.*
 - *The Inspector checks for various electrical hazards, window conditions, ceiling conditions, wall conditions, condition of the floors, and whether there is lead paint in each room of a home so the seller or leaser complies with 24 CFR Part 35 on lead paints rules.*
- *Historic building inspections follow the same standards as traditional inspections. The only difference in Historic Inspections is that the violations found have to be addressed in a manner that complies with HUD regulations and the Historic Neighborhood Association, if there is such an association in the particular area.*
- ***(Rehabilitation SOP)** HUD regulations for historic property inspections are outlined in 24 CFR 35, which allows for historic properties to keep certain things that would normally be abated on traditional properties, but are given the option for retainment with a historic property. All other property code regulations apply to historic properties.*

20) Client intake and underwriting

- *Clients are required to fall at or below the 30% LMI and not to exceed the 80% LMI to qualify for HOME assistance. Income level is also determined by the number of people in a household.*
- *Max rent for a HOME assisted unit must not exceed the HUD published rent amounts or the utility allowance published the local Housing Authority.*
- *Monitoring prospective tenants to live in their facilities to make sure they meet the requirements for the housing program.*

21) File retainment and administration

- *Files are kept on each program/project to track progress and the administration by a Community Development Staff. The Agency/Sponsor/Developer/Sub-Recipient is responsible for all records related to a project funded with HOME dollars. These files may be kept on site as long as they are available to DMD and HUD as requested. The files must be maintained for five years after completion of the affordability period based on the HUD HOME Rental regulations.*
- *CD staff will monitor the agency administering the rental program/project yearly to confirm ongoing compliance to the HOME regulations.*
- *Inspection Requirements*
 - *1- 4 units-inspect every 3 years*
 - *5-25 units-inspect every 2 years*
 - *26 or more units-inspect yearly*

22) Close of Project

- *All projects require being closed in IDIS by the designated Community Development Specialist upon completion to begin the affordability period. In order to close the projects in IDIS, all correlating information must be provided to the designated Community Development Specialist.*